

# The HUBZone Empowerment Contracting Program

Community Based:

- Empowerment
- Employment
- Enterprise



# Purpose of the HUBZone Program

- Provide federal contracting assistance for qualified small business concerns (SBCs) located in historically underutilized business zones to:
- Increase employment opportunities
  - Stimulate capital investment in those areas
  - Empower communities through economic leveraging and the “multiplier effect”



# Qualified Areas

- Qualified Census Tracts (HUD) - 7,000
- Qualified Non-metropolitan Counties - 900
  - Median household income is less than 80% of the non-metropolitan state median household income (Census)
  - Unemployment rate that is not less than 140% of the state-wide average unemployment rate (BLS)
- Indian reservations (external boundary)



# Goaling

- 3% Based upon a percentage of the total value of federal prime contract awards



# Federal Departments and Agencies Affected

- All federal departments and agencies are expected to meet HUBZone contract goals.
- Assuming historic patterns, this means that by FY07 the HUBZone program could account for about \$6 billion.



# Requirements To Be A Qualified HUBZone SBC

- FOUR REQUIREMENTS:
  - Must be a small business
  - Concern must be owned and controlled **51%** by US citizens
  - The *principal office* of the concern must be located in a HUBZone; and
  - At least 35% of the concern's employees must reside in a HUBZone



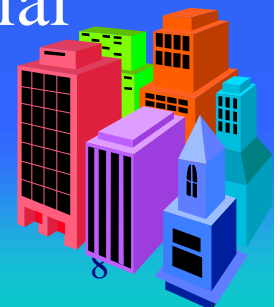
# The Certification Process

- Fully electronic and totally revamped application at [www.sba.gov/hubzone](http://www.sba.gov/hubzone)
- Integrated with CCR's Dynamic Small Business Search database
- Processing time - 60 days
- SBA will not process incomplete packages
- SBA may request additional information or clarification any time after submission
- SBA's decision will be in writing



# Program Examinations For Continued Eligibility

- Eligibility verification
- Scope of review
  - Verification: eligibility requirements at time of application and examination
  - location, ownership & employment percentage requirements
- Time frame - when notified of a possible material change in status or random, at the discretion of SBA





# Contractual Assistance Procurement Methods

- Set-aside awards
- Sole source awards
- Awards through full and open competition after application of a price preference as provided to HUBZone SBCs



# Requirements Not Available for HUBZone set-aside

- Federal Prison Industries (FPI)
- Javits-Wagner-O'Day Act (JWOD)
- Current SBA 8(a) Business Development Program requirements

